



WASHINGTON – Congressman Barney Frank and Congressman John Olver today announced that the U.S. Department of Housing and Urban Development has responded favorably to their request to reconsider its choice of the organization to administer Section 8 Housing in Massachusetts. HUD's decision to reopen the competition effectively protects jobs in the state and enables more careful evaluation of how best to provide affordable housing.

On July 1st, HUD had announced that it would award the contract to administer the Section 8 Housing program in Massachusetts to Cambridge Housing Services LLC, which planned to subcontract a significant part of the work to a Canadian company, the CGI Group, Inc. Earlier, Frank and Olver had written HUD in support of the application of the Massachusetts Housing Finance Agency (MassHousing), which has had a distinguished record administering the Section 8 program since 2000. The program provides rental housing assistance to very low income individuals, to the elderly and to the disabled.

Upon learning that HUD intended to award the contract to an entity which planned to hire a Canadian subcontractor, Frank and Olver wrote a second letter (attached) to HUD Secretary Shaun Donovan, expressing frustration with the agency's decision and requesting that it redo the competitive selection process. In their letter, the two Massachusetts Representatives cite the excellent record of MassHousing and their strong concern that HUD's decision to choose an organization paired with a Canadian subcontractor would "lead to significant job loss in Massachusetts."

On August 11th, the Department announced that it would reverse its initial decision and re-open the competitive process in every jurisdiction in which more than one organization applied to be the administrator of Section 8 Housing. Massachusetts is among the 42 jurisdictions that fall into this category. In its letter announcing that it would reissue a new Notice of Funding Availability, HUD revealed that it had received a large number of complaints about what some called a lack of transparency in the application process and a lack of clarity in how applications would be evaluated.

"We welcome HUD's decision to reopen the competition," said Congressman Frank.

"MassHousing has done an excellent job administering the program in the past and it deserves full consideration. And the process should take into account the importance of keeping jobs in Massachusetts."

"We are pleased that HUD is listening to our concerns and is reconsidering this competition," said Congressman Olver. "It is important that contract administrators are chosen based on their ability to maximize public value, not just fiscal savings."

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